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FISCAL IMPACT STATEMENT

LS 7086

BILL NUMBER: HB 1512

NOTE PREPARED: Jan 9, 2013

BILL AMENDED:

SUBJECT: Charity Gaming Events.

FIRST AUTHOR: Rep. VanNatter

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: The bill authorizes a qualified organization to conduct a special event once per year under a license issued by the Indiana Gaming Commission (IGC). It provides that a qualified organization may conduct raffle events and door prize events at the special event.

The bill provides that the only additional allowable event that a qualified organization may conduct on the date of a special event is a raffle event under a separate raffle event license.

The bill permits a qualified organization to sell combination tickets for the special event on the Internet. It provides that a combination ticket entitles the purchaser to any combination of admission to the event, entertainment, a meal, and one or more raffle tickets. It allows a qualified organization to accept credit cards for the purchase of tickets to the special event. It requires a qualified organization to report the expenditure of the proceeds of the special event in addition to complying with the other reporting requirements of the charity gaming law.

Effective Date: Upon passage.

Explanation of State Expenditures: The provisions in the bill could lead to additional administrative costs for the IGC. The agencies current level of resources should be sufficient to implement these changes.

Explanation of State Revenues: The bill could potentially increase charity gaming revenues transferred to the Build Indiana Fund. This could result in the decrease in state General Fund transfer required to meet the Build Indiana Fund annual guarantee of \$250.0 M. Any impact from the bill is estimated to be minimal.

The bill defines “special events” as door prize events and raffle events conducted in accordance with the guidelines provided in the bill. It allows IGC to issue special events licenses. It provides that the licensee may sell combination tickets through the licensee’s internet sites. It allows the licensee to accept credit cards for the purchase of the ticket. It provides other guidelines related to the licensing and conducting of the event. It also requires the special events licensee to report the expenditure of the proceeds to the IGC on a form prescribed by the commission.

The bill could increase the charity gaming license fees. The initial license fee is \$50. Annual renewal fees range from \$50 to \$26,000 depending on the adjusted gross revenue earned by an organization on charity gaming in the prior year. Adjusted gross revenue is the gross revenue minus the total of prizes, purchase prices for supplies, charity gaming license fees, advertising expenses, and up to \$200 per day for facility rent.

Background Information - In FY 2012, the charity gaming license fee generated about \$4.4 M. Revenue from these sources is distributed to the Charity Gaming Enforcement Fund. After (1) the costs of charity gaming administration are subtracted and (2) distributions are made to the License Control Division and the Gaming Control Division, revenue remaining in the Fund is distributed quarterly to the Build Indiana Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Gaming Commission.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Randhir Jha, 232-9556.